



BEVERAGE CONTAINERS CONTROL, **THE SO-CALLED "BOTTLE BILL"**



Passed in 1979 to fight litter, it has become also a very successful pro-recycling measure. Under Iowa Code Chapter 455C and Iowa Administrative Code [567] Chapter 107, the system works such that —

- Beverage Distributors collect 5¢ deposits from Retailers when they deliver full product.
- Retailers charge Consumers the nickel, and Consumers get their nickels back when they return the empties to stores where those products are sold.
- When Distributors deliver more new full product, they pick up their empties that the Retailers have redeemed from Consumers.
- From the deposits that were collected at the beginning, the Distributors reimburse the Retailers for the refunds that have been paid out to Consumers.
- In addition, Distributors pay Retailers a 1¢ per container handling fee to help Retailers with costs of collecting, sorting, and storing empties until the Distributors pick them up.
- The Law also allows for private small businesses called Redemption Centers. Instead of redeeming empties at Retailers, people can take their empties to a Redemption Center to get the refunds.
- Distributors have to go to Redemption Centers and deal with them just as they do with the Retailers; picking up their empties, reimbursing the refunds the Redemption Centers have paid out, and paying the handling fees. Essentially the only income Redemption Centers make, the handling fee is set by statute and has remained unchanged since 1979.
- Distributors (and Retailers and Redemption Centers) are prohibited by the Law from disposing of redeemed empties in landfills, which typically means recycling. This also usually means that Distributors get the benefit of the scrap value of the aluminum, plastic, and glass.
- Nothing in Iowa Code Chapter 455C addresses "unclaimed deposits." It is estimated that annually statewide about 14% of over 2 billion containers upon which deposits were paid are not returned for the refunds. The working theory is that provisions of general "abandoned property" law likely apply, enabling Distributors to convert unclaimed deposits into revenue over time.

Iowa seems to be unique in that all of the exchanges of full product, deposits, empties, refunds and handling fees all take place entirely among the private parties of the Distributors, Retailers, Consumers, and Redemption Centers.

No money goes to or is paid out by the State.

It can be a hassle for all parties involved, but it's a long-established part of doing business in Iowa. Many thousands of tons of recyclable materials are diverted from being littered or landfilled. We save tremendous amounts of energy and of otherwise extracted raw materials, and Iowa is just a cleaner place to live.